

**7th MUNICIPAL DISTRICT
ORLEANS PARISH ASSESSOR**

Annual Financial Report

As of and for the Fifteen Months Ended

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 19 2011**

KEITH J. ROVIRA
Certified Public Accountant

**7TH MUNICIPAL DISTRICT
ORLEANS PARISH ASSESSOR
New Orleans, Louisiana**

**Basic Financial Statements
and Independent Auditor's Report**

**As of and for the Fifteen Months Ended
December 31, 2010**

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INDEPENDENT AUDITOR'S REPORT

Honorable Henry F. Heaton
7th Municipal District Orleans Parish Assessor
A Component Unit of the Orleans Parish Council
New Orleans, Louisiana

I have audited the accompanying financial statements of the 7th Municipal District Orleans Parish Assessor, a component unit of the Orleans Parish Council, as of and for the fifteen months ended December 31, 2010, which collectively comprise the assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 7th Municipal District Orleans Parish Assessor. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 7th Municipal District Orleans Parish Assessor as of December 31, 2010, and the results of operations for the fifteen months then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared knowing that operations of the 7th Municipal District Orleans Parish Assessor's office were discontinued by state law effective December 31, 2010. As discussed in Note J to the financial statements, on November 7, 2006, the voters of Orleans Parish approved the consolidation of the seven assessor offices into one single office. These financial statements include adjustments for the outcome of this event.

In accordance with Government Auditing Standards, I have also issued a report dated August 30, 2011, on my consideration of the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the assessor's basic financial statements. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the 7th Municipal District Orleans Parish Assessor. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion is fairly stated in all material respects, in relation to the basic financial statements taken as whole.



Keith J. Rovira
Certified Public Accountant

August 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Management's Discussion and Analysis
As of and for the Fifteen Months Ended December 31, 2010

The Management's Discussion and Analysis (MD&A) of the 7th Municipal District Orleans Parish Assessor's financial performance presents a narrative overview and analysis of the assessor's financial activities for the fifteen months ended December 31, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the 7th Municipal District Orleans Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Management's Discussion and Analysis (Continued)
As of and for the Fifteen Months Ended December 31, 2010

(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of December 31, 2010 and September 30, 2009

	<u>12/31/10</u>	<u>9/30/09</u>
Current assets	\$ 4,534	\$ 6,923
Capital assets	<u>5,065</u>	<u>7,959</u>
Total Assets	<u>9,599</u>	<u>14,882</u>
Current liabilities	-	-
Noncurrent liabilities	<u>34,445</u>	<u>17,033</u>
Total Liabilities	<u>34,445</u>	<u>17,033</u>
Net Assets (Deficit):		
Invested in capital assets,		
net of debt	5,065	7,959
(Deficit)	<u>(29,911)</u>	<u>(10,110)</u>
Total Net (Deficit)	<u>\$(24,846)</u>	<u>\$(2,151)</u>

The assessor does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Management's Discussion and Analysis (Continued)
As of and for the Fifteen Months Ended December 31, 2010

Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fifteen Months Ended December 31, 2010
and
For the Twelve Months Ended September 30, 2009

	<u>12/31/10</u>	<u>9/30/09</u>
Revenues	\$339,554	\$260,890
Expenditures	<u>341,943</u>	<u>322,742</u>
Net Change in Fund Balance	<u>\$ (2,389)</u>	<u>\$ (61,852)</u>

Revenues increased by \$78,664, or 30%, and expenditures increased by \$19,201, or 6%, both as a result of the planned downsizing of the office's operations and funding arrangements with the Orleans Parish Board of Assessors.

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2010, the assessor had \$5,065 invested in capital assets, including office furnishings and equipment. This amount represents the total original cost of the capital assets less accumulated depreciation. The table below lists capital assets by type, net of accumulated depreciation:

Capital Assets
(Net of Depreciation)
December 31, 2010 and September 30, 2009

	<u>12/31/10</u>	<u>9/30/09</u>
Office furnishings and equipment	\$5,065	\$7,959

At December 31, 2010, all seven assessor offices in Orleans Parish were consolidated into one single office. Therefore, all capital assets owned by this office were transferred to the one new assessor's office.

Debt Administration:

The assessor had no debt outstanding at year-end.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Management's Discussion and Analysis (Continued)
As of and for the Fifteen Months Ended December 31, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As discussed in Note J to these financial statements, on November 7, 2006, the voters of Orleans Parish approved the consolidation of the seven assessor offices into one single office effective on January 1, 2011. Therefore, no budget was prepared for 7th Municipal District Orleans Parish Assessor's office for 2011.

CONTACTING THE ASSESSOR

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Erroll G. Williams, Orleans Parish Assessor, Fourth Floor, 4E01, City Hall, New Orleans, Louisiana, 70112, or call the office at 504-658-1300.

BASIC FINANCIAL STATEMENTS
(GOVERNMENT-WIDE FINANCIAL STATEMENTS)

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Statement of Net Assets
As of December 31, 2010

ASSETS	
Cash (Note B)	\$4,534
Capital assets (net of depreciation) (Note C)	<u>5,065</u>
TOTAL ASSETS	<u>9,599</u>
 LIABILITIES	
<u>Current Liabilities</u>	<u>-</u>
<u>Long-Term Liabilities (Note E)</u>	
Net other postemployment benefit obligations (OPEB)	<u>34,445</u>
Total Long-Term Liabilities	<u>34,445</u>
TOTAL LIABILITIES	<u>34,445</u>
 NET ASSETS (DEFICIT)	
Invested in capital assets	5,065
Net (Deficit) (Note I)	<u>(29,911)</u>
TOTAL (DEFICIT)	<u>\$(24,846)</u>

The accompanying notes are an integral part of this statement.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Statement of Activities
For the Fifteen Months Ended December 31, 2010

EXPENSES

Governmental Activities:

General government	\$359,355
Depreciation expense	<u>2,894</u>

Total Expenses	<u>362,249</u>
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GENERAL REVENUES

Intergovernmental revenues - ad valorem tax allotment	<u>339,554</u>
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Total General Revenue	<u>339,554</u>
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Change in Net (Deficit)	(22,695)
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Net (Deficit) at beginning of year	<u>(2,151)</u>
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Net (Deficit) at end of year	<u>\$ (24,846)</u>
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The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
(FUND FINANCIAL STATEMENTS)

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Balance Sheet
General Fund - Governmental Fund
December 31, 2010

ASSETS

Cash (Note B)	<u>\$4,534</u>
TOTAL ASSETS	<u>\$4,534</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Fund balance - unreserved and undesignated	<u>\$4,534</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$4,534</u>

The accompanying notes are an integral part of this statement.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2010

Total Fund Balance - Governmental Fund \$4,534

Amounts reported for governmental activities
in the Statement of Net Assets are different
because:

Capital assets used in governmental
activities are not current financial
resources and, therefore, are not
reported in the Governmental Funds
Balance Sheet.

5,065

Some liabilities are not due and payable
in the current period and therefore are
not reported in the funds. Those liabilities
consist of:

Net other postemployment benefit
obligations (OPEB)

(34,445)

Total Net (Deficit) of Governmental Activities \$ (24,846)

The accompanying notes are an integral part of this statement.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Governmental Fund
For the Fifteen Months Ended December 31, 2010

REVENUES

Intergovernmental revenues -	
Ad valorem tax allotment	<u>\$339,554</u>
Total Revenues	<u>339,554</u>

EXPENDITURES

Personal services and related benefits	296,888
Travel and automotive	18,471
Office supplies and expenditures	18,884
Professional services	7,700
Capital outlay	<u>-</u>
Total Expenditures	<u>341,943</u>

(Deficiency) of Revenues over Expenditures	(2,389)
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Fund Balance at Beginning of Year	<u>6,923</u>
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Fund Balance at End of Year	<u>\$4,534</u>
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The accompanying notes are an integral part of this statement.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities**
For the Fifteen Months Ended December 31, 2010

Net Change in Fund Balance - Governmental Funds	\$(2,389)
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Amounts reported for governmental activities
in the Statement of Activities are different
because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation charged exceeded capital outlay in the current period.	(2,894)
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Some items reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Net other postemployment benefit obligations (OPEB)	<u>(17,412)</u>
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Change in the Net (Deficit) of Governmental Activities	<u>\$(22,695)</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, there shall be seven assessors in New Orleans, who shall compose the Board of Assessors for Orleans Parish. One shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which they are elected. The assessor shall be elected at the same time as the municipal officers of New Orleans for terms of four years each. In the event a vacancy occurs in one of the seven assessors' office, the Board of Assessors shall appoint an interim assessor for the unexpired term. The assessors' of Orleans Parish receive their salaries directly from the Board of Assessors. All other payments made to, and for, the assessors, such as employee benefits, come from the funds of the assessor's office.

The assessor's office is located in New Orleans, Louisiana. In accordance with Louisiana law, Title 47, the assessor assesses all real and movable property within this district subject to ad valorem taxation. The assessor completes an assessment listing, exposes this listing for public inspection, submits the list to the governing authority and the Louisiana Tax Commission, who then certifies the tax roll, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the tax collector, who is responsible for collecting and distributing taxes to the various tax recipient bodies.

The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

1. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

In addition, the 7th Municipal District Orleans Parish Assessor has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the 7th Municipal District Orleans Parish Assessor's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD&A).

The accompanying financial statements of the 7th Municipal District Orleans Parish Assessor present information only as to the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues, such as intergovernmental revenues from ad valorem tax allotments and interest earnings on certificates of deposit are recorded in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, and due dates vary depending on when the New Orleans City Council sets the millage rates and the Finance

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Department mails out the bills. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expense Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including personal services, travel and automotive, office supplies and expenditures, etc. are recognized in the period incurred, if measurable.

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Orleans Parish Council is the financial reporting entity for Orleans Parish. The financial reporting entity consists of (a) the primary government (Orleans Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component unit should be considered part of the Orleans Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the parish council to impose its will on that organization, and/or

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the parish council.
- 2. Organizations for which the parish council does not appoint a voting majority, but are fiscally dependent on the parish council.
- 3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the assessor is an independently elected official, and is legally separate from the parish council, the exclusion from the parish council's financial statements would cause the parish council's financial statements to be misleading or incomplete. Also, the assessor is fiscally dependent on the parish council when the parish council has approval authority over the assessor's capital budget. The parish council has approval authority over the assessor's capital budget because office space is furnished to the assessor by the parish council and title to real property is in the name of the parish council. Because of these reasons, the assessor is determined to be a component unit of the Orleans Parish Council. The accompanying financial statements present information only on the funds maintained by the assessor, and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

- 3. Fund Accounting
The assessor uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accounting entity with a self-balancing set of accounts.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

4. Budgets

The original proposed budget for the year ended December 31, 2010, was made available for public inspection at the assessor's office and subsequently adopted on September 20, 2009. This budget was not amended.

The budget is legally adopted and amended, as necessary, by the assessor. It is prepared and reported on the accrual basis of accounting. Formal budget integration is employed as a management control device during the year. The assessor reserves all authority to make changes to the budget. When actual revenues fail to meet budgeted revenues by five per cent or more and/or actual expenditures exceed budgeted revenues by five per cent or more, a budget amendment to reflect such change is adopted by the assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments, if applicable. All appropriations contained in the budget lapse at the end of the year.

5. Deposits with Financial Institutions

The deposits with the financial institution includes cash in a noninterest bearing demand deposit account. Under state law, the assessor may deposit funds in

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

6. Compensated Absences
The assessor has a vacation and sick leave policy, but the policy does not provide for the accumulation, vesting, or compensation of any unused vacation or sick leave upon an employee's separation from service. Therefore, the assessor had no accumulated leave benefits required to be reported in accordance with GASB Codification C60 at year-end.
7. Capital Assets
Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives: office furniture and equipment - 5 years.
8. Encumbrances
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.
9. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE B - DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 2010, the carrying amounts (book balances) of all cash of the assessor are listed as follows:

Noninterest bearing demand deposits	<u>\$4,534</u>
Total	<u>\$4,534</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the assessor had \$4,564 in deposits (collected bank balances), and these deposits were fully secured from risk by \$500,000 of federal deposit insurance.

NOTE C - CAPITAL ASSETS

The capital assets used in the governmental-type activities are included on the Statement of Net Assets of the assessor and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE C - CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>Balance</u> <u>9/30/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/10</u>
<u>Capital Assets</u>				
Office furnishings & equipment	\$26,616	-	-	\$26,616
Total	<u>\$26,616</u>	<u>-</u>	<u>-</u>	<u>\$26,616</u>
<u>Less Accumulated Depreciation for</u>				
Office furnishings & equipment	\$18,657	\$2,894	-	\$21,551
Total	<u>\$18,657</u>	<u>\$2,894</u>	<u>-</u>	<u>\$21,551</u>

NOTE D - PENSION PLAN

Plan Description

Substantially all employees of the 7th Municipal District Orleans Parish Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at, or after, age 55 with at least 12 years of credited service or at, or after, age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE D - PENSION PLAN (CONTINUED)

service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318)425-4446.

Funding Policy

For the twelve months ended December 31, 2010, plan members (employees) were required by state law to contribute 8.0 percent of their annual covered salary into the retirement system, and the assessor (employer) was required to contribute 13.5 percent of each eligible employee's annual covered payroll into the System. All required employee and employer contributions were made in full.

Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing appropriated by the legislature. The contribution requirements of plan members and the 7th Municipal District Orleans Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The assessor's employer contributions to the System for the periods ended December 31, 2010, September 30, 2009 and 2008, were \$22,889 (for fifteen months), \$15,743 (for twelve months) and \$20,787, respectively, and these amounts equaled the required contributions for those periods.

In addition, the assessor paid all required "employee" contributions on behalf of each eligible employee for the fifteen-month period ended December 31, 2010, totaling \$13,564, and this amount equaled the actuarial required contribution for that period.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE E - LONG-TERM LIABILITIES

Other Postemployment Benefit Obligations (OPEB)

Plan Description: The assessor administers and contributes to a defined benefit health, dental and life insurance plan for retirees and active employees, as authorized by the assessor. The plan provides coverage for retirees and for full-time employees that retire at age 55 or older with 12 years of service or have 30 years of service at any age. The assessor has coverage through the Louisiana Assessors Insurance Fund. No separate financial statements are available for the assessor's plan. Cancer insurance coverage is also provided for several individuals and is purchased from a private carrier.

The assessor was implements Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. In adopting the requirements of GASB Statement No. 45 during the fifteen-month period ended December 31, 2010, the assessor recognizes the cost of postemployment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the assessor's future cash flows. Because the assessor has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Funding Policy: The assessor contributes one half the cost of the current year's health insurance premiums for one eligible retired employee. All other retired employees are on medicare and don't have dependents. Also, the assessor contributes 100% of the cost of the current year's health insurance premiums for active employees only. The assessor finances its plan on a pay-as-you-go basis, therefore no funds are reserved for payment of future health insurance premiums. For the fifteen months ended December 31, 2010, the assessor contributed \$4,431 to the plan on behalf of the retirees.

Annual OPEB Cost and Net OPEB Obligation: The assessor's annual other postemployment benefit (OPEB) is calculated

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE E - LONG-TERM LIABILITIES (CONTINUED)

based on the annual required contribution (ARC). The assessor has elected to calculate the ARC and related information using the "unit credit actuarial cost method." The ARC represents a level of funding that, if paid on an ongoing basis, it is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the assessor's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$21,843
Interest on net OPEB obligation	-
Adjustments to Annual Required Contribution	<u>-</u>
Annual OPEB cost	21,843
Contributions made	<u>(4,431)</u>
Increase in net OPEB obligation	17,412
Net OPEB obligation at beginning of year	<u>17,033</u>
Net OPEB obligation at end of year	<u>\$34,445</u>

The assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fifteen months ended December 31, 2010 was \$21,843, 20% and \$34,445, respectively.

Funded Status and Funding Progress: As of December 31, 2010, the actuarial accrued liability for benefits was \$213,901, all of which was unfunded. The covered payroll of active employees covered by the plan was \$161,854 for the fifteen months and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 132%.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE E - LONG-TERM LIABILITIES (CONTINUED)

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Active members were assumed to retire at the following rates: 46-49 years 22%, 50-54 years 44%, 55-57 years 4%, 58-62 years 18%, 63+ years 28.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Males-RP 2000 system table with floating scale AA projections for males; Females-RP 2000 system table with floating scale AA projections for females.

Healthcare cost trend rate - Initially, a rate of 6.5% was used, then gradually reduced to a rate of 5.4% over a 30-year period.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE E - LONG-TERM LIABILITIES (CONTINUED)

Health insurance premiums - 2009 health insurance premiums for retirees was used as the basis for calculation of the present value of total benefits to be paid.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Future discount rate - 4% per annum, compounded annually was used.

Amortization period - the unfunded actuarial accrued liability (UAAL) is being amortized over 30 level annual payments.

NOTE F - LEASES

Operating Leases

On July 31, 2009, the assessor entered into a separate noncancelable operating lease for a new replacement vehicle. The monthly rental payment was \$695 for a period of 39 months. Payments made on this lease during the current fifteen-month period totaled \$10,426.

Due to the closure of the assessor's office on December 31, 2010, the office had no future annual commitment on the lease after that date. The vehicle was subsequently returned to the finance company.

There were no other operating leases, and there were no capital leases for the fifteen months ended December 31, 2010.

NOTE G - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

The assessor's primary office is located in Orleans Parish City Hall. The upkeep and maintenance of that office is paid by the Orleans Parish Council. These expenditures are not reflected in the accompanying financial statements.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2010

NOTE H - LITIGATION

There was no litigation pending against the assessor's office at December 31, 2010.

NOTE I - GENERAL FUND'S DEFICIT FUND BALANCE

The deficit fund balance in the General Fund at December 31, 2010 of \$24,846 was mostly a result of the required implementation of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. As of January 1, 2011, it will be up to the new assessor to decide on the funding policies for this liability and any other healthcare benefits for past retirees and active employees.

NOTE J - SUBSEQUENT EVENT

On November 7, 2006, the voters of Orleans Parish approved the consolidation of the seven assessor offices into one single office. The last day of operations for the 7th Municipal District Orleans Parish Assessor's office was December 31, 2010. All remaining assets and liabilities were transferred to the New Orleans Parish Assessor office on January 1, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
 New Orleans, Louisiana
 Required Supplementary Information
 General Fund - Governmental Fund
 Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget (GAAP Basis) and Actual
 For the Fifteen Months Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental				
revenues - ad valorem				
tax allotment	<u>\$340,000</u>	<u>\$340,000</u>	<u>\$339,554</u>	<u>\$(446)</u>
Total Revenues	<u>340,000</u>	<u>340,000</u>	<u>339,554</u>	<u>(446)</u>
EXPENDITURES				
Personal services and				
related benefits	297,000	297,000	296,888	112
Travel and automotive	18,000	18,000	18,471	(471)
Office supplies and				
expenditures	19,000	19,000	18,884	116
Professional services	8,000	8,000	7,700	300
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>342,000</u>	<u>342,000</u>	<u>341,943</u>	<u>57</u>
(Deficiency) of Revenues				
over Expenditures	(2,000)	(2,000)	(2,389)	(389)
Fund Balance at				
Beginning of Year	<u>6,923</u>	<u>6,923</u>	<u>6,923</u>	<u>-</u>
Fund Balance at				
End of Year	<u>\$4,923</u>	<u>\$4,923</u>	<u>\$4,534</u>	<u>\$(389)</u>

The accompanying notes are an integral part of this statement.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
 New Orleans, Louisiana
 Required Supplementary Information
 Schedule of Funding Progress
 Retirees Health, Dental and Life Insurance Plan
 For the Fifteen Months Ended December 31, 2010

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
9/30/09	\$0	\$213,901	\$213,901	0%	\$176,620	121%
12/31/10 (final year)	\$0	\$213,901	\$213,901	0%	\$161,854	132%

Note: Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that this schedule present information from the last three years. Since the last day of operations for the 7th Municipal District Orleans Parish Assessor's office was December 31, 2010, this will be the final presentation for this data.

SUPPLEMENTARY INFORMATION SCHEDULES

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Supplementary Information Schedule
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Fifteen Months Ended December 31, 2010

I have audited the accompanying basic financial statements of the 7th Municipal District Orleans Parish Assessor, a component unit of the Orleans Parish Council, as of and for the fifteen months ended December 31, 2010, and have issued my report thereon dated August 30, 2011. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2010, resulted in an unqualified opinion.

Section I - Prior Year Audit Findings

Finding No. 1: Delay in the issuance of the assessor's annual audit report (LARS 24:513).

Fiscal Year Finding Occurred: September 30, 2009.

Finding Described: According to Louisiana Revised Statutes, the assessor's annual audit report for the fiscal year ended on September 30, 2009, was due into the Louisiana Legislative Auditor's Office by March 31, 2010. The assessor did not get the report to the Legislative Auditor by that due date.

Corrective Action and Additional Explanation: On November 7, 2006, the voters of Orleans Parish approved the consolidation of all seven assessor offices into one single office. In the meantime, Senate Bill #29 was introduced which would effectively advance this consolidation process and effective date from July 1, 2010 to December 31, 2010. Based on the possibility of this bill passing, the assessor thought that his audit requirements under LARS 24:513 would not apply under the circumstances, so he waited to see the outcome of the bill. He was contacted by the Legislative Auditor's Office and was instructed to complete the required audit, which he immediately proceeded to do.

Resolution Date: This audit report was completed and sent to the Louisiana Legislative Auditor's Office, thus satisfying the office's reporting requirements.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Supplementary Information Schedule
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
(Continued)
For the Fifteen Months Ended December 31, 2010

Finding No. 2: Segregation of Duties

Fiscal Year Finding Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: The assessor is aware of this inadequacy in the internal control structure, however, he feels that to employ additional controls would not be cost beneficial. The assessor already uses an independent accountant to help with the recordkeeping of the office.

Anticipated Completion Date: Not applicable.

Section II - Current Year Audit Findings

Finding No. 1: Delay in the issuance of the assessor's annual audit report (LARS 24:513).

Fiscal Year Finding Occurred: December 31, 2010.

Finding Described: According to Louisiana Revised Statutes, the assessor's annual audit report for the fifteen months ended on December 31, 2010, was due into the Louisiana Legislative Auditor's Office by June 30, 2011. The assessor did not get the report to the Legislative Auditor by that due date.

Corrective Action and Additional Explanation: On November 7, 2006, the voters of Orleans Parish approved the consolidation of all seven assessor offices into one single office. There was some confusion as to whose responsibility it was to retain an outside auditor to perform the audit. When this was cleared up, there was not enough time left before the June 30, 2011 deadline to complete the audit report. Therefore, the assessor requested, and was granted by the Louisiana Legislative Auditor, an extension to complete the audit by September 30, 2011.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Supplementary Information Schedule
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
(Continued)
For the Fifteen Months Ended December 31, 2010

Resolution Date: This audit report will be completed and sent to the Louisiana Legislative Auditor's Office no later than September 30, 2011. This will then satisfy the office's reporting requirements.

Finding No. 2: Segregation of Duties

Fiscal Year Finding Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: The assessor is aware of this inadequacy in the internal control structure, however, he feels that to employ additional controls would not be cost beneficial. The assessor already uses an independent accountant to help with the recordkeeping of the office.

Anticipated Completion Date: Not applicable.

There were no other findings required to be reported, and no management letter was issued for the current audit period.

The assessor's office did not receive any federal funds during the fiscal year under audit.

Contact Person: Erroll G. Williams, Assessor
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Phone #: 504-658-1300

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Henry F. Heaton
7th Municipal District Orleans Parish Assessor
A Component Unit of the Orleans Parish Council
New Orleans, Louisiana

I have audited the basic financial statements of the 7th Municipal District Orleans Parish Assessor, a component unit of the Orleans Parish Council, as of and for the fifteen months ended December 31, 2010, and have issued my report thereon dated August 30, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and

would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as referenced to below, I identified a certain deficiency in the internal control over financial reporting that I consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the assessor's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the assessor's financial statements that is more than inconsequential will not be prevented or detected by the assessor's internal control. I consider the deficiency described in the accompanying schedule of "Current Year Audit Findings" to be significant deficiency in internal control over financial reporting (Finding No. 2).

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the assessor's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I consider the significant deficiency described in Finding No. 2 to be a material weakness.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the 7th Municipal District Orleans Parish Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, and is described in Finding No. 1 for the current year.

The 7th Municipal District Orleans Parish Assessor's response to the findings identified in my audit are described in the schedule of findings and responses. I did not audit the assessor's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, and the State of Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.

A handwritten signature in black ink, reading "Keith J. Rovira". The signature is written in a cursive, flowing style.

Keith J. Rovira
Certified Public Accountant

August 30, 2011